

## Lane County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

6/11/2018

Using the most recent IMPLAN data available (2016) adjusted for 2018, 14 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Lane County economy.<sup>1</sup>

These 14 sectors have a total direct output of approximately **\$127.4 million** and support **401 jobs** in Lane County. Running the model for all 14 sectors simultaneously produces the following results:

Agriculture, Food, and Food Processing Sector Contribution to Overall Lane County Economy						
Impact Type <sup>2</sup>	Employment	% Employment	Total Value Added <sup>3</sup>	Total Value Added % of Gross Regional Product <sup>4</sup>	Output <sup>5</sup>	Output % of Gross Regional Product
Direct Effect	401.3	28.50%	\$25,325,557	29.75%	\$127,374,714	149.65%
Indirect Effect	237.1	16.84%	\$14,617,813	17.17%	\$25,508,363	29.97%
Induced Effect	90.0	6.39%	\$7,080,759	8.32%	\$13,586,869	15.96%
Total Effect	728.5	51.74%	\$47,024,129	55.25%	\$166,469,946	195.58%

As shown in the above table, agriculture, food, and food processing sectors support **729 jobs**, or **51.74%** of the entire workforce in the county. These sectors provide a total economic contribution of approximately **\$166.5 million**, roughly **195.58% of the economy**.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 14 agriculture, food, and food processing sectors is approximately **\$47.0 million**, or **55.25% of the GRP**. This indicates that personal income, business income, and taxes generated by these sectors account for **55.25% of the total economy**.

The following tables document the top industries affected by employment and output, as well as a listing of all industries that were analyzed.

<sup>1</sup> Article on building a contribution analysis in IMPLAN that avoids double counting:

[http://www.implan.com/index.php?option=com\\_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70](http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70)

<sup>2</sup> Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

<sup>3</sup> Value added = labor income + indirect business taxes + other property type income.

<sup>4</sup> GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

<sup>5</sup> Output = intermediate inputs + value added.

In the top ten agriculture, food, and food processing sectors by employment, the beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming sector is the top employer with **343 employees**. This table also shows the amount of jobs that are created by the agriculture industry in Lane County.

Top Ten Agriculture, Food, and Food Processing Sectors by Employment		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	342.7	\$96,268,651
Support activities for agriculture and forestry	123.8	\$6,304,477
Wholesale trade	49.8	\$11,097,056
Grain farming	32.4	\$25,572,386
Truck transportation	13.8	\$2,284,431
Animal production, except cattle and poultry and eggs	12.7	\$2,772,707
Real estate	12.4	\$927,841
Securities and commodity contracts intermediation and brokerage	12.2	\$922,261
Monetary authorities and depository credit intermediation	10.7	\$1,598,133
Retail - Nonstore retailers	8.1	\$632,118

The beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming directly contributes approximately **\$96.3 million** to the Lane County economy. The table below also shows the amount of revenue that is generated in other industries by having a strong agriculture industry.

Top Ten Agriculture, Food, and Food Processing Sectors by Output		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	342.7	\$96,268,651
Grain farming	32.4	\$25,572,386
Wholesale trade	49.8	\$11,097,056
Support activities for agriculture and forestry	123.8	\$6,304,477
Owner-occupied dwellings	0.0	\$4,182,953
Animal production, except cattle and poultry and eggs	12.7	\$2,772,707
Truck transportation	13.8	\$2,284,431
Monetary authorities and depository credit intermediation	10.7	\$1,598,133
Electric power transmission and distribution	1.0	\$1,218,482
Insurance carriers	3.4	\$1,204,203

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture, food, and food processing sector and the output they contributed to the Lane County economy.

<b>All Agriculture, Food, and Food Processing Sectors</b>		
<b>Sector</b>	<b>Total Employment</b>	<b>Total Output</b>
Oilseed farming	0.5	\$1,007,631.80
Grain farming	32.4	\$25,572,386.21
Vegetable and melon farming	0.8	\$147,294.97
Fruit farming	0.4	\$33,908.12
Tree nut farming	0.0	\$10.87
All other crop farming	3.4	\$533,606.24
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	342.7	\$96,268,650.70
Poultry and egg production	0.2	\$166,333.44
Animal production, except cattle and poultry and eggs	12.7	\$2,772,707.11
Commercial logging	1.2	\$57,135.75
Commercial hunting and trapping	2.5	\$51,159.18
Bread and bakery product, except frozen, manufacturing	0.3	\$41,389.53
Farm machinery and equipment manufacturing	1.6	\$609,067.61
Landscape and horticultural services	2.6	\$113,432.79

All 105 counties in Kansas have an IMPLAN model and an agriculture, food, and food processing contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Lane County, the retail sector was omitted.